Case Study: West Point Terminal/Southern Railway

Clifford F. Thies, Shenandoah University, USA

ABSTRACT

This real world case study investigates how priority of claim interacts with the rules of bankruptcy to preserve the values of securities issued by corporations in the context of one of the most famous reorganizations of all times. (However, many facts have been changed to facilitate classroom use.) The case does not presume prior knowledge of the rules of bankruptcy. It is recommended for a senior-level undergraduate or MBA course in financial management.

Keywords: bankruptcy; reorganization; priority of claim; West Point Terminal; Southern Railway; J.P. Morgan

INTRODUCTION

In 1892, the Richmond & West Point Terminal Railway and Warehouse Co., along with several of its subsidiaries, defaulted on interest obligations, and the president of the company, John H. Inman, was appointed its receiver. During the next two years, two factions vied for control of the company, one representing the incumbent owners, directors and managers, and the other representing prospective ownership organized by the investment banking house of J.P. Morgan (Daggart, 1908; Klein, 1970).

The Richmond & West Point Terminal Railway & Warehouse Co. ("the Terminal Co.") was organized in 1880 to enable the Richmond & Danville RR ("the R&D") to consolidate its control of a system of railroads in the southeast portion of the United States, generally running from Alexandria and Richmond, VA, to Atlanta, GA (see Figure 1).

Figure 1: The Richmond & Danville RR, circa 1892

The R&D was prohibited by its charter from owning stocks in companies with which it did not directly connect, whereas the Terminal Co. was empowered by its charter to own stocks in railroad companies in the states of North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Alabama, Mississippi, and others. At about the same time, two other north-south systems were being organized in the southeast: the Atlantic Coast and the Seaboard systems. In all three cases, northern capitalists were involved, gaining control of short lines through stock purchases and leases of originally independent lines, constructing connecting lines, where necessary, and increasing the capacity of roads through reconstruction and by adding locomotives, cars, signaling equipment, and so forth (Stover, 1955). By 1883, the R&D and the Terminal Co. owned, leased and otherwise controlled some 2,500 miles of railroad (refer to the following chart).

Richmond & Danville RR/Richmond & West Point Terminal Ry & Warehouse Co. 1883

Richmond & Danville RR (*Richmond to Danville VA*)	152 miles
Piedmont RR (*Danville VA to Greensboro NC*)	49 miles
North Carolina RR (*Goldsboro via Greensboro to Charlotte NC*)	233 miles
Atlanta & Charlotte Air-Line Ry (*Charlotte NC to Atlanta GA*)	339 miles
Virginia Midland Ry (*Alexandria via Charlottesville to Danville VA*)	237 miles
Western North Carolina RR (*Salisbury to Paint Rock NC*)	206 miles
Charlotte, Columbia & Augusta RR (*Charlotte NC via Columbia SC to Augusta GA*)	191 miles
Columbia & Greenville RR	165 miles
Georgia Pacific Ry (*Atlanta GA to Greenville MS*)	302 miles
Total (includes numerous branch lines not listed above)	2,503 miles

When the Terminal Co. was organized in 1880, the R&D acquired a large majority of its stock. The R&D paid for the shares of the Terminal Co. in part with its own stock. By 1883, the R&D owned $7.51 million of the $15 million of stock outstanding of the Terminal Co. (i.e., a bare majority); and, the Terminal Co. owned about 10 percent of the $5 million of stock outstanding of the R&D (a non-controlling minority).

By 1886, however, a conflict developed between the R&D and the Terminal Co. Management of the R&D attempted to wrest control of the railroads owned by the Terminal Co. by leasing them, effectively relegating the Terminal Co. to the status of an empty shell. The R&D then sold off its stake in the Terminal Co. (see Figure 2).

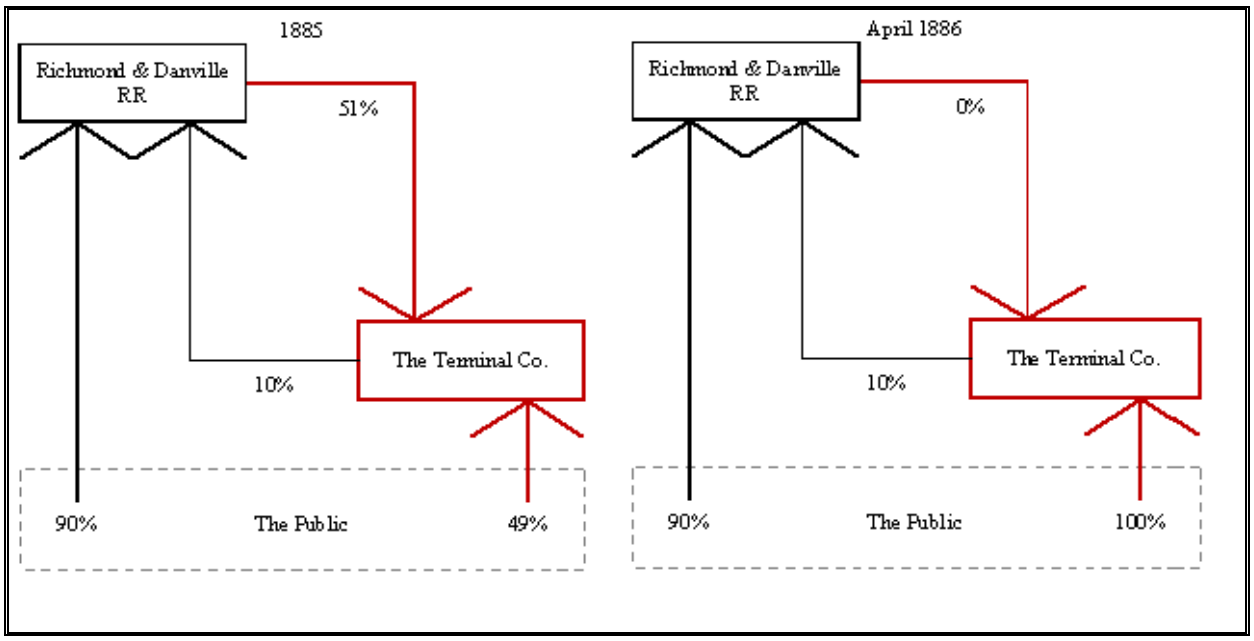

Figure 2: Relationship between the Richmond & Danville RR and the Terminal Co. through 1886

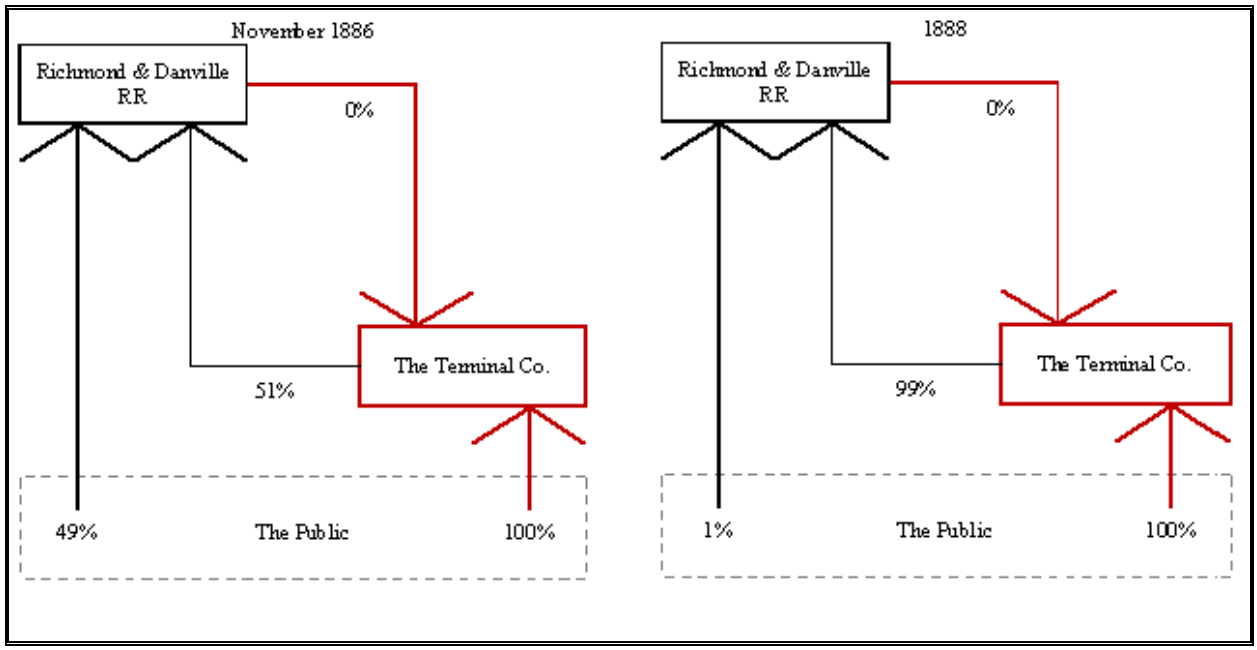

Figure 3: Relationship between the Richmond & Danville RR and the Terminal Co. following 1886

The Terminal Co. responded by acquiring another 41 percent of the stock of the R&D, bringing its total stake in the R&D to 51 percent. The Terminal Co. raised the necessary funds by issuing new preferred and common stock. During the contest for control of the R&D, the market value of its stock was raised temporarily to $200 per share (as compared to its par value of $100 per share). After it gained control of the R&D, the Terminal Co. acquired almost all the remaining stock of the R&D, thereby consolidating its control over the system (see Figure 3).

During the next few years, the Terminal Co. conducted an ambitious program of expansion by acquisition. In 1887, the company acquired control of the East Tennessee, Virginia & Georgia Ry, about 1,600 miles in length, shortly following its reorganization. The East Tennessee generally operated on the west slope of the Appalachian Mountains, roughly parallel to the R&D, from Bristol, TN, to Mobile, AL, with a line to the Atlantic Ocean from Macon, GA, to Brunswick, GA. In 1888, the Terminal Co. acquired control of the Central RR of Georgia, about 2,300 miles in length, mostly operating within the state of Georgia. Together with other acquisitions, by 1889, the Terminal Co. was operating one of the largest railroad systems in the country (see the following chart).

Richmond & West Point Terminal Ry & Warehouse Co. 1889

Richmond & Danville system	3,090 miles
East Tennessee system	1,628 miles
Central of Georgia system	2,303 miles
Total	7,021 miles

Consolidating its control over the R&D, obtaining control over the East Tennessee and Central of Georgia systems, other acquisitions, and various improvements to its roads saddled the Terminal Co. and its subsidiaries with very large interest expense on bonds and rental expense on leased roads. Fortunately, through 1891, revenue and income of the Terminal Co. and its subsidiaries were generally rising, as is illustrated in the income statements of the R&D, shown in Tables 1 to 3 (Poor, 1884-1895). Strength in revenue and income enabled the Terminal Co. and its subsidiaries to meet their heavy fixed expenses and as well as make dividend payments on at least some of the stocks of its subsidiaries, including the R&D in 1889.

By 1889, John H. Inman, originally of Georgia, had established himself as firmly in charge of the Terminal Co. He was president of both it and the R&D, and was joined on the boards of directors of the two companies by his brother Samuel Inman and several key northern capitalists, the most prominent of which was Jay Gould, "the scion of Wall Street." Mr. Inman had himself profited very handsomely from his control of the Terminal Co., having had a significant interest in the Central of Georgia at the time of its sale to the Terminal Co. To maintain his control over the vast system of roads encompassed by the Terminal Co., almost of Mr. Inman's personal wealth was invested in the junior securities of the Terminal Co., such as third mortgage bonds, income bonds, and preferred and common stocks, securities whose market values depended critically on the ability of the Terminal Co. and its subsidiaries to continue to grow its revenue and income. But, these securities could easily become worthless if a downturn in business forced the company to default on its obligations.

Table 1: Income Statements for years ending June 30th

	1883	1884	1885	1886	1887	1888
Revenue-Passengers	909,564	955,184	985,709	998,023	1,017,312	1,190,604
Revenue-Freight	2,606,225	2,511,760	2,660,755	2,646,434	2,716,699	2,844,116
Revenue-Mail, etc.	290,003	333,437	334,891	348,024	418,981	475,528
Total Revenue	3,805,792	3,800,381	3,981,355	3,992,481	4,152,992	4,510,248
Maintenance of Road			486,128	457,911	508,515	555,582
Maintenance of Equipment			831,185	748,218	815,731	928,630
Other Operating Expenses	2,218,853	2,204,139	914,173	915,424	963,611	1,085,513
Operating Expenses	2,218,853	2,204,139	2,231,486	2,121,553	2,287,857	2,569,725
Operating Income	1,586,939	1,596,242	1,749,869	1,870,928	1,865,135	1,940,523
Other Income (Loss)	56,676	68,606	17,793	19,547	202,170	257,061
Total Income	1,643,615	1,664,848	1,767,662	1,890,475	2,067,305	2,197,584
Taxes*	0	0	0	0	0	0
Rents	979,814	979,654	879,654	879,654	879,654	880,104
Interest	415,566	433,836	562,890	567,864	600,328	684,058
Other fixed charges**	135,678	172,113	40,553	20,140	1,536	(63,368)
Fixed Charges	1,531,058	1,585,603	1,483,097	1,467,658	1,481,518	1,500,794
Dividends	0	0	0	0	0	0
Surplus	112,557	79,245	284,565	422,817	585,787	696,790
	1889	**1890**	**1891**	**1892**	**1893**	**1894**
Revenue-Passengers	1,210,517	1,573,271	1,498,815	1,459,332	1,359,152	1,219,102
Revenue-Freight	3,182,145	3,430,446	3,290,443	3,127,291	2,963,307	2,656,819
Revenue-Mail, etc.	519,473	596,996	1,158,101	1,358,160	823,158	879,181
Total Revenue	4,912,136	5,600,713	5,947,359	5,944,783	5,145,617	4,755,102
Maintenance of Road	683,211	774,834	499,227	455,689	622,220	654,423
Maintenance of Equipment	1,086,856	1,152,919	1,227,043	1,185,471	1,337,190	1,211,504
Other Operating Expenses	1,151,272	1,183,698	1,211,352	1,355,969	1,360,903	1,441,234
Operating Expenses	2,921,339	3,111,451	2,937,622	2,997,129	3,320,313	3,307,161
Operating Income	1,990,797	2,489,262	3,009,737	2,947,654	1,825,304	1,447,941
Other Income (Loss)	340,708	(188,896)	(116,516)	(117,843)	0	0
Total Income	2,331,505	2,300,366	2,893,221	2,829,811	1,825,304	1,447,941
Taxes*	0	0	0	89,414	83,973	0
Rents	834,500	851,500	851,500	851,500	834,500	834,500
Interest	700,498	710,398	802,198	919,528	1,004,765	1,006,689
Other fixed charges**	7,379	(12,407)	71,521	(10,276)	(200,778)	(109,403)
Fixed Charges	1,542,377	1,549,491	1,725,219	1,760,752	1,638,487	1,731,786
Dividends	500,000	500,000	500,000	500,000	0	0
Surplus	289,128	250,875	668,002	479,645	102,844	(283,845)

*when reported, otherwise included in other operating expenses.

**this figure is simply the difference between fixed charges reported by the company and estimates of its rent and interest expenses based on its outstanding bonds and lease agreements.

Table 2: Balance Sheets for years ending June 30th

	1883	1884	1885	1886	1887	1888
ASSETS						
Fixed Assets	13,446,726	13,879,690	16,307,708	15,497,303	16,334,491	18,683,520
Working Assets	938,727	897,938	958,040	3,663,306	3,201,062	3,157,192
Total	14,385,453	14,777,628	17,265,748	19,160,609	19,535,553	21,840,712
LIABILITIES AND NET WORTH						
Capital Stock	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funded Debt	6,712,150	7,032,150	9,381,500	9,464,400	10,196,300	11,772,220
Working Liabilities	1,676,512	1,635,924	1,523,939	3,164,874	2,430,064	2,682,001
Profit & Loss	996,791	1,109,554	1,360,309	1,531,335	1,909,189	2,386,491
Total	14,385,453	14,777,628	17,265,748	19,160,609	19,535,553	21,840,712
	1889	**1890**	**1891**	**1892**	**1893**	**1894**
ASSETS						
Fixed Assets	19,312,142	22,300,909	25,465,605	30,793,157	31,555,602	32,825,467
Working Assets	3,439,172	3,296,939	4,165,391	4,285,763	3,611,549	2,492,944
Total	22,751,314	25,597,848	29,630,996	35,078,920	35,167,151	35,318,411
LIABILITIES AND NET WORTH						
Capital Stock	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funded Debt	12,138,040	13,428,160	14,171,160	16,341,160	18,167,705	18,826,002
Working Liabilities	3,004,271	4,397,609	6,946,583	9,660,089	10,036,483	8,501,732
Profit & Loss	2,609,003	2,772,079	3,513,253	4,077,671	1,962,963	2,990,677
Total	22,751,314	25,597,848	29,630,996	35,078,920	35,167,151	35,318,411

Table 3: Operating Statistics for years ending June 30th (Passenger-miles and ton-miles in thousands)

	1883	1884	1885	1886	1887	1888
Miles of Road	2,514	2,617	2,617	2,336	2,336	2,336
Locomotives	123	126	126	150	150	150
Passenger Cars	96	100	100	105	105	105
Freight Cars	2,316	2,351	2,351	2,525	2,525	2,525
Passenger-miles	30,965	32,346	30,716	29,030	28,528	38,099
Per Pass-mile (¢)	2.94	2.95	3.21	3.44	3.57	3.13
Ton-miles	125,513	120,017	132,556	137,533	153,867	207,315
Per Ton-mile (¢)	2.08	2.09	2.01	1.92	1.77	1.37
	1889	**1890**	**1891**	**1892**	**1893**	**1894**
Miles of Road	3,077	3,202	3,232	3,226	3,311	3,244
Locomotives	158	195	232	384	381	325
Passenger Cars	118	246	270	314	329	266
Freight Cars	3,363	3,355	4,670	9,678	9,651	8,740
Passenger-miles	27,696	32,346	35,785	36,023	35,332	31,976
Per Pass.-mile (¢)	4.37	4.86	4.19	4.05	3.85	3.81
Ton-miles	243,886	258,669	274,521	275,938	298,969	268,003
Per Ton-mile (¢)	1.30	1.33	1.20	1.13	0.99	0.99

RAILROAD REORGANIZATION, 19TH CENTURY STYLE

While revenue and income had been generally increasing for the Terminal Co. through the early 1890s, examination of the operating statistics of the R&D, shown in Table 3, reveals a troubling development. While the physical volume of business (i.e., passengers-miles and freight ton-miles) was growing strongly, freight rates were on the decline, as eventually would be passenger rates. For reasons beyond the scope of this case, the country was experiencing a long, gradual deflation, making debt and other fixed-dollar obligations increasingly burdensome.

For a time, the Terminal Co. outpaced the deflation by expanding its physical volume of business and by reducing unit costs through productivity-increasing investments. Eventually, however, the deflation so burdened debtors – whether farmers, railroads or banks – that productivity growth was insufficient to prevent default. And,

upon an uptick in defaults and widespread concern for the solvency of debtors, came the bank panics and financial crises characteristic of that time.

Not only the Terminal Co., but many other great and not so great railroads were forced into receiverships during the late 19th century. Among these were the Baltimore & Ohio RR and Reading RR (two of the four railroads on the Monopoly game board), the Central Pacific RR and Union Pacific RR (which together formed the nation's first transcontinental railroad), the Norfolk & Western Railway, and the Atchison, Topeka & Santa Fe RR.

Typically, in railroad receiverships of the late 19th century, a new company was organized to acquire the assets of the failed company, following a reorganization plan that respected the priority of claim of the securities that had been issued by the failed company (Hansen, 2000; Martin, 1974; Swain, 1898). (Some changes have occurred in corporate bankruptcies over the years; e.g., assessments are today rare.) During the time it took for the new company to be organized and for a proposed reorganization plan to be developed and gain sufficient acceptance by creditors, the railroad was operated by a court-appointed receiver, not unusually the president of the failed company. In most of these reorganizations:

1. Well-secured bonds of the failed company were simply assumed, undisturbed, by the new company.
2. Intermediate securities might suffer a small loss, such as being exchanged for new securities that pay interest or dividends only if earned (e.g., income bonds, which pay interest only if the income of the company is sufficient).
3. Some inferior securities might be exchanged for new securities only upon the payment of a cash assessment as was needed by the new company to restore the road and equipment inherited from the failed company to good working order, to pay interest arrears on well-secured bonds, and to pay the failed company's receiver's certificates and floating debt.
4. Some inferior securities might be completely wiped out.

To illustrate, consider a small railroad company that had issued $1 million of 5 percent 1st mortgage bonds, $1 million of 5 percent 2nd mortgage bonds, and $1 million of stock, which had earnings of $75,000 per year (which amount would be insufficient to pay interest on both the 1st and 2nd mortgage bonds), and which had developed a floating debt of $100,000.

One possible reorganization plan for this company would be for a proposed new company to assume the failed company's 1st mortgage bonds, and to offer $1,000 5 percent *income* bonds in the new company plus ten shares of stock in the new company, each having a par value of $100, for $100 cash plus $1,000 2nd mortgage bonds of the failed company. Notice that, in this reorganization, the stock of the failed company would be wiped out.

Another possible reorganization plan would be for a proposed new company to assume the failed company's 1st mortgage bonds (as in the first plan), to exchange $1,000 of 5 percent income bonds in the new company for $1,000 5 percent 2nd mortgage bonds in the failed company, and to offer shares of stock in the new company, having a par value of $100 each, for $10 cash plus $100 par value of shares in the failed company, to the holders of the failed company's stock. Notice that, in this alternate reorganization, the stockholders of the failed company are not completely wiped out, but they do have to advance the cash necessary to pay off the floating debt of the failed company.

If the stockholders of the failed company believe that the revenue and income will recover, then paying the $10 per share assessment might appear to be attractive. With the assessment, they would "redeem" the company by paying off the floating debt, and – assuming that the revenue and income of the company do indeed recover – the company should be able to pay the full 5 percent interest on its new income bonds, and even pay dividends on its new stock.

The problem with this stockholder-friendly reorganization plan is that if the holders of the failed company's 2nd mortgage bonds aren't satisfied with the exchange of their bonds for income bonds, they could make an alternative proposal, e.g., the first, in which *they* redeem the company. Generally, any class of creditors that would suffer a loss in a bankruptcy plan has the option of proposing a plan of its own. This motivates the directors and

officers of the failed company, representing the interests of the shareholders of the failed company, to make an offer that treats all classes of creditors fairly, given their priorities of claim and a reasonable estimate of the company's earning power upon its reorganization.

Table 4 details the claims structure of the R&D and its leased roads as of 1894. Direct obligations of the company amount to $18.9 million in debt and $5 million in equity. Indirect obligations of the company, the interest and dividend payments on which were all guaranteed as part of the leases involved, amount to another $12.6 million.

Table 4: Claims Structure of the Richmond & Danville RR, 1894

Security	Amount	1st Mortgage*	2nd Mortgage*	3rd Mortgage*
BALANCE SHEET				
Receiver's certificates	1,696,020			
Richmond & Danville eq 5s 1909	1,582,000	Equipment		
Richmond & Danville eq 6s 1906	909,000	Equipment		
other equipment trusts	746,822	Equipment		
Richmond & Danville gen 6s 1915	5,996,000	152	0	0
Richmond & Danville deb 6s 1927	3,368,000	0	152	0
Richmond & Danville cons 5s 1936	4,528,160	0	0	152
Richmond & Danville stk	5,000,000			
LEASED LINES				
Atlanta & Charlotte. 1st 7s 1907	4,750,000	339	0	0
Atlanta & Charlotte. inc 6s 1900	750,000	0	339	0
Atlanta & Charlotte. 5% stk	1,700,000	0	0	339
North Carolina 6½ % stk	4,000,000	233	0	0
Piedmont 1st 8s 1894	400,000	49	0	0
Piedmont 2nd 6s 1900	500,000	0	49	0
Piedmont 6% stk	500,000	0	0	49

*miles of railroad unless otherwise stated

MANAGEMENT'S PLAN

Mr. Inman was determined that, if possible, the shareholders would redeem the R&D, the strongest component of the Terminal Co., and the incumbent directors and officers would remain in place. Furthermore, if the R&D could be reorganized by management, it might be possible that most, if not all of the other roads in the system could be salvaged, preserving the fortunes of those who had invested heavily in the junior securities of the system (this would include preserving his own fortune). Unfortunately, the shareholders of the company had very little cash with which to redeem the company. A reorganization plan for the R&D required the following:

1. $3 to 5 million in cash to pay off the receiver's certificates and reduce the company's working liabilities to a manageable level.
2. Reduce the company's fixed charges by at least $300,000 so as to enable it to avoid another default if the depression were to continue.

The plan developed by management consisted, basically, of three parts: (1) Ten percent assessments on all classes of credit and on equity, in order to raise $3.5 million in cash; (2) Using the $3.5 million to pay off $1.7 million of receiver's certificates and reduce the company's working liabilities by $1.8 million; and, (3) converting the fixed interest and rent obligations on the third mortgage claims of the company and its leased roads into obligations contingent on the earnings of the company, thus reducing the company's fixed charges by a little more than $300,000 (see Table 5).

Table 5: Management's Reorganization Plan

Security	Amount	Assessment	Disposition	Fixed Charges	
BALANCE SHEET		**10% each**		**Before**	**After**
Receiver's certificates	1,696,020		Paid off		
R&D eq 5s 1909	1,582,000	158,200	Assumed	79,100	79,100
R&D eq 6s 1906	909,000	90,900	Assumed	54,540	54,540
other equipment trusts	746,822	74,682	Assumed	44,809	44,809
R&D gen 6s 1915	5,996,000	599,600	Assumed	359,760	359,760
R&D deb 6s 1927	3,368,000	336,800	Assumed	202,080	202,080
R&D cons 5s 1936	4,528,160	452,816	Exch for income bonds	226,408	0
Richmond & Danville stk	5,000,000	500,000	Assumed	0	0
LEASED LINES					
Atlanta & Charlotte 1st 7s	4,750,000	475,000	Assumed	332,500	332,500
Atlanta & Charlotte inc 6s	750,000	75,000	Assumed	45,000	45,000
Atlanta & Charlotte 5% stk	1,700,000	170,000	Div contingent on income	85,000	85,000
North Carolina 6½% stk	4,000,000	400,000	Assumed	260,000	260,000
Piedmont 1st 8s 1894	400,000	40,000	Assumed	32,000	32,000
Piedmont 2nd 6s 1900	500,000	50,000	Assumed	30,000	30,000
Piedmont 6% stk	500,000	50,000	Div contingent on income	30,000	0
TOTALS		3,472,998		1,781,197	1,439,789

ENTER J.P. MORGAN

By the 1890s, J.P. Morgan had established himself as the most powerful investment banker in the world. During that decade, he was instrumental in the reorganization of several large railroad systems, and even in helping the U.S. government maintain the gold standard. He later became associated with the organization of several large "trusts," or industrial monopolies, including U.S. Steel. Mr. Morgan seemed to enjoy both making money and using his wealth to pursue science, the arts, and beauty. His many benefactions include the Morgan collection of gems at the Metropolitan Museum of Natural History, and the founding of the Metropolitan Museum of Art. But, no matter how intelligent, witty, rich and powerful he was, he still had a big ugly nose.

The reorganization plan for the R&D proposed by management seemed to Mr. Morgan to both undervalue the earning ability of the railroad upon a turn-around of the economy, and impose too severe a loss to the bondholders of the company. Mr. Morgan was committed to the principle that bondholders were to be protected from risk in accordance with their priority of claim, and that railroads should be run for the benefit of all their stakeholders, paying good wages to workers, lowering fares to shippers, and making a good rate of return for their investors. His commitment to these principles gained for his banking house the trust of individual investors, insurance companies and banks in the advanced economies of the world, and enabled him to raise enormous amounts of money on reasonable terms.

In looking at a company like the R&D, having an immediate need for a substantial amount of cash, Mr. Morgan could consider the possibility of raising funds by the sale of stock in the new company at a price reflecting reasonable estimates of the future earnings of the company assuming economic recovery.

Indeed, this is exactly what Mr. Morgan wants you to help him with. He wants you to develop an alternative reorganization plan to be put forward on behalf of the several classes of bondholders of the company. In this alternative plan, the cash needed to reorganize the company is to come from wiping out the stock of the failed company, and selling stock in the new company to a syndicate of investors. Remember, that all classes of bondholders must receive at least what is offered to them in the plan proposed by management, and that the amount offered to each class of creditor must (in this case and almost always) respect priority of claim.

AUTHOR INFORMATION

Clifford F. Thies is the Eldon R. Lindsay Chair of Free Enterprise and Professor of Economics and Finance at Shenandoah University. He received his B.A. in mathematics and M.B.A. from St. John's University, New York, and his Ph.D. in economics from Boston College. He previously taught at the University of Baltimore and the University of Montana, and has been a systems analyst with AIG and an infantry officer in the U.S. Army. He and his wife, Barbara, enjoy traveling, nature photography and collecting financial memorabilia.

REFERENCES

1. Stuart Daggett, "Southern Railway," pp. 146-91. In *Railroad Reorganization*. Cambridge, MA: Harvard University Press, 1908.
2. Bradley Hansen, "The People's Welfare and the Origins of Corporate Reorganization: The Wabash Receivership Reconsidered." *Business History Review* 74 (Autumn 2000): 377-405
3. Maury Klein, *The Great Richmond Terminal: A Study in Businessmen and Business Strategy*. Charlottesville, VA: University of Virginia Press. 1970.
4. Albro Martin, "Railroads and the Equity Receivership: An Essay on Institutional Change." *Journal of Economic History* 34 (1974): 685-709.
5. Henry Poor, *Manual of Railroads*. New York: H.V. and H.W. Poor, 1884-1895.
6. John Stover, *The Railroads of the South, 1865-1900*. Chapel Hill, NC: University of North Carolina Press, 1955.
7. Henry Huntington Swain, "Economic Aspects of Railroad Receivership." *Economic Studies of the American Economic Association* 3 (1898): 53-161.
8. Peter Tufano, "Business Failure, Judicial Intervention, and Financial Innovation: Restructuring U. S. Railroads in the Nineteenth Century." *Business History Review* 71 (Spring 1997): 1-40.

NOTES